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6 **IN THE UNITED STATES DISTRICT COURT**  
7 **FOR THE DISTRICT OF ARIZONA**

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Robert A Doane,

No. CV-24-00130-PHX-MTL

Plaintiff,

**ORDER**

v.

Conversion Kings LLC, et al.,

Defendants.

Before the Court is Defendant Conversion Kings LLC Notice of Filing Bankruptcy (Doc. 4) and the parties' supplemental briefing (Docs. 9, 11, 12) on whether this action falls under the automatic stay provision of 11 U.S.C. § 362(a).

The automatic stay under Section 362 of the United States Bankruptcy Code applies to the claims against Defendant Conversion Kings LLC. *See* 11 U.S.C. § 362(a). This automatic stay, however, does not extend to Plaintiff's claims against the remaining Defendants, Michael W. Muhlethaler and Francis J. Wood, IV. *See In re Chugach Forest Prods., Inc.*, 23 F.3d 241, 246 (9th Cir. 1994) ("As a general rule, the automatic stay of section 362(a) protects only the debtor, property of the debtor or property of the estate. It does not protect non-debtor parties or their property. Thus, section 362(a) does not stay actions against guarantors, sureties, corporate affiliates, or other non-debtor parties liable on the debts of the debtor." (cleaned up)). Further, the Court "does not have the jurisdiction to extend the stay to a non-debtor party." *Placido v. Prudential Ins. Co. of Am.*, 2010 WL 334744, at \*1 (N.D. Cal. Jan. 21, 2010) ("In order to apply the automatic stay outlined in

1 11 U.S.C. § 362 to a non-debtor party, the bankruptcy court must issue an extension of the  
2 stay under its jurisdiction.”). A party seeking to extend the stay to co-defendants or others  
3 must affirmatively seek an order from the bankruptcy court. *Totten v. Kellogg Brown &*  
4 *Root, LLC*, 152 F. Supp. 3d 1243, 1268 (C.D. Cal. 2016).

5 Accordingly,

6 **IT IS ORDERED** staying this case against Defendant Conversion Kings LLC only.

7 **IT IS FURTHER ORDERED** that the stay does not apply to Defendants Michael  
8 W. Muhlethaler and Francis J. Wood, IV, and as such, all deadlines related to the claims  
9 against Mr. Muhlethaler and Mr. Wood are affirmed.

10 **IT IS FINALLY ORDERED** that Plaintiff must, by no later than May 13, 2024,  
11 either dismiss his claims against Conversion Kings LLC without prejudice to peruse the  
12 claims in bankruptcy court or file a motion in the bankruptcy court to lift the automatic  
13 stay to permit the claims against Conversion Kings LLC to proceed in this Court. Failure  
14 to do so may result in an involuntary dismissal by the Court pursuant to Federal Rule of  
15 Civil Procedure 41(b). The Court notes that it is not inclined to grant an indefinite stay of  
16 Plaintiff’s claims against Conversion Kings LLC. Ultimately, Plaintiff is required to  
17 prosecute this case. *See O’Donnell v. Vencor Inc.*, 466 F.3d 1104, 1110-11 (9<sup>th</sup> Cir. 2006)  
18 (concluding stay did not preclude dismissal of case against debtor based on plaintiff’s  
19 failure to prosecute).

20 Dated this 12th day of March, 2024.

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Michael T. Liburdi

Michael T. Liburdi  
United States District Judge